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To: Honorable Members of the House Tax Policy Committee
From: Amanda Fisher, Assistant State Director
Date: March 24, 2021
RE: Please Support HB 4237 – Estate Tax Repeal

We are writing to ask your support for House Bill 4237 that would end Michigan's estate tax for good by repealing Public Act 188 of 1899.

While it is not in effect for all practical purposes, the inheritance tax in Michigan still exists. However, it does not apply to any recent estate. It only applies to people who received property from someone who passed away prior to or on September 30, 1993. Most estates from 1993 and before have been settled. However, with the statute still on the books, any legislature could amend it to bring it back to life.

Eliminating it entirely would require a new act to be passed which would make such an attempt more difficult.

Estate taxes hit small businesses and farmers particularly hard. When triggered, the tax is applied to the market value of assets, not merely to cash. Many small businesses and family farms have millions of dollars in productive capital -real estate, machinery, vehicles, inventory and other assets the business needs to operate. Heirs to the estate rarely have enough liquid assets to pay the immediate tax due. Often the business is sold, the employees laid off, and the operation closed to liquidate enough assets to pay the tax.

Please support House Bill 4922, and we thank you for your support of Michigan's small business owners.